

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY MAY 3, 2012

AMENDED IN ASSEMBLY APRIL 12, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2084**

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**Introduced by Assembly Member Solorio**

February 23, 2012

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An act to amend Section 10270.2 of, and to add Section 10270.2.5 to, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2084, as amended, Solorio. Blanket insurance.

Existing law provides that blanket insurance is that form of insurance providing coverage for specified circumstances and insuring by describing all persons within a class of persons defined in a policy issued to a master policyholder, and not by specifically naming the persons covered. Under existing law, the permitted types of blanket insurance are those where the blanket policy is issued to specified entities, including, but not limited to, a volunteer fire company providing benefits to members only in the event of accident incurred while performing actions incident to such membership and a proprietor or sponsor of an organized camping institution providing benefits to campers or persons responsible for their support for death or dismemberment resulting from accident, or for hospital, medical, surgical, or nursing expenses resulting from accident or sickness related to the camper's specified connection with the camping institution.

This bill would revise and recast those above entities to instead include (1) a volunteer or governmental fire department, emergency medical

services company, or similar volunteer or governmental organization providing benefits to members or participants only in the event of accident incurred while performing actions incident to an activity or operation sponsored or supervised by the department, company, or organization and (2) a sports team or camp, as specified, providing benefits to participants, campers, and other specified persons responsible for their support for death or dismemberment resulting from accident, or for hospital, medical, surgical, or nursing expenses resulting from specified accident or sickness related to the participants, campers, or other specified person's connection with the sports team or camp, as specified.

This bill would additionally specify other permitted types of blanket insurance issued to specified entities that include, but are not limited to, (1) an employer providing accident benefits to any group of workers, dependents, or guests, limited by reference to specified hazards incident to activities or operations of the employer, (2) any common carrier or any operator, owner, or lessor of a means of transportation providing accident benefits to any specified group of persons who may become lessees or passengers limited by reference to travel status, and (3) an entertainment production company providing accident benefits to any group of participants, volunteers, audience members, contestants, employees, or independent contractors while engaged in any activity or operation of the entertainment production company. The bill would authorize the person insured, when the premium is paid for these types of blanket insurance, to request a copy of the policy from the insurer. The bill would define the term "accident benefits" for purposes of these provisions.

Existing law prohibits a person from transacting any class of insurance business in this state without first being an admitted insurer. Under existing law, admission is secured by procuring a certificate of authority from the Insurance Commissioner. Existing law authorizes the above-described blanket policies, among others, to provide that the cost of the insurance coverage is required to be paid by either the policyholder, or the individuals insured or their parents or guardians, payable through the policyholder. Existing law prohibits a blanket policy from being issued until approved as to substance and form by the commissioner.

This bill would extend these provisions to the newly established permitted types of blanket insurance described above. The bill would also authorize the commissioner to add to the list of entities that may

be eligible to purchase blanket insurance for any risk or class of risks, relating to accident benefits, as defined, which may be properly eligible for blanket insurance.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10270.2 of the Insurance Code is  
2 amended to read:

3 10270.2. Blanket insurance is that form of insurance providing  
4 coverage for specified circumstances and insuring by description  
5 all or nearly all persons within a class of persons defined in a policy  
6 issued to a master policyholder, and not by specifically naming  
7 the persons covered (by certificate or otherwise, although a  
8 statement of the coverage provided may be given, or required by  
9 the policy to be given to persons eligible). The permitted types of  
10 blanket insurance are those where the blanket policy is issued to  
11 any of the following:

12 (a) A volunteer or governmental fire department, emergency  
13 medical services company, or similar volunteer or governmental  
14 organization providing benefits to members or participants only  
15 in the event of accident incurred while performing actions incident  
16 to an activity or operation sponsored or supervised by the  
17 department, company, or organization.

18 (b) A college, school, or other institution of learning, a school  
19 district or districts or school jurisdictional unit, or to the head,  
20 principal, or governing board of any such educational unit who or  
21 which shall be deemed the policyholder; providing benefits to  
22 students without necessarily any restriction as to activity, time, or  
23 place, or to teachers or employees while performing actions  
24 incident to special duties, such as at camps, at summer playgrounds,  
25 or during tours or excursions; and providing benefits to such  
26 students, teachers, or employees, and spouses and dependents of  
27 such students, teachers, and employees, for death or  
28 dismemberment resulting from accident or for hospital, medical,  
29 surgical, drug, or nursing expenses resulting from accident or  
30 sickness.

31 (c) ~~Asports~~—A sports team, camp, or sponsor, or proprietor  
32 thereof, who shall be deemed the policyholder, providing benefits

1 to sports team participants, campers, employees, officials,  
2 supervisors, or persons responsible for their support for death or  
3 dismemberment resulting from accident, or for hospital, medical,  
4 surgical, or nursing expenses resulting from accident to those  
5 participants, campers, employees, officials, supervisors, or persons  
6 responsible for their support, or arising out of sickness of those  
7 participants, campers, employees, officials, supervisors, or persons  
8 responsible for their support, provided the accident or the first  
9 manifestation of such sickness occurs while those participants,  
10 campers, employees, officials, supervisors, or persons responsible  
11 for their support are in or on the buildings or premises of the sports  
12 team or camp, or being transported between their homes and the  
13 sports team or camp, or while at any other place as an incident to  
14 sports team-sponsored or camp-sponsored activities or while being  
15 transported to, from, or between those places.

16 (d) ~~To a~~ newspaper, farm paper, magazine, or other periodical  
17 publication, which shall be deemed the policyholder, providing  
18 benefits for independent contractors, such as carriers, newsboys,  
19 dealers, distributors, wholesalers, or others engaged in the sale,  
20 distribution, collecting for, or other activities pertaining to the  
21 marketing and delivery of such publications, including attendance  
22 at a coaching school or participation as a member of a trip  
23 organized, supervised, and sponsored as a reward for meritorious  
24 service, on account of loss resulting from accident or sickness,  
25 such benefit to be payable to such independent contractors or to  
26 their parents, guardians, or other persons responsible for their  
27 support.

28 When the premium for the insurance is paid by the person  
29 insured, he or she may, upon request, obtain from the insurer in  
30 certificate form a copy of the policy.

31 (e) Any religious, charitable, recreational, educational, athletic  
32 or civic organization, or branch thereof, which shall be deemed  
33 the policyholder, providing benefits to any group of members,  
34 employees, or participants for death or dismemberment or for  
35 hospital, medical, surgical, or nursing expenses all resulting from  
36 accident incurred incident to specific hazards pertaining to any  
37 activity or activities or operations sponsored or supervised by or  
38 on the premises of such policyholder.

39 ~~To a policy issued on application of an~~ employer, a  
40 majority of the employees in this state of an employer, or both,

1 *upon application*, to pay the benefits afforded by a voluntary plan  
2 of unemployment compensation disability insurance.  
3 Notwithstanding the provisions of Section 10113, such policies  
4 may incorporate by reference any of the appropriate provisions of  
5 Part 2 (commencing with Section 2601) of Division 1 of the  
6 Unemployment Insurance Code and the authorized regulations of  
7 the Director of Employment Development.

8 (g) An employer, who shall be deemed the policyholder,  
9 providing accident benefits to any group of workers, dependents,  
10 or guests, limited by reference to specified hazards incident to  
11 activities or operations of the policyholder. When the premium  
12 for the insurance is paid by the person insured, he or she may,  
13 upon request, obtain from the insurer in certificate form a copy of  
14 the policy.

15 (h) Any common carrier or any operator, owner, or lessor of a  
16 means of transportation, who shall be deemed the policyholder,  
17 providing accident benefits to any group of persons who may  
18 become lessees or passengers limited by reference to their travel  
19 status on that common carrier or that means of transportation.  
20 When the premium for the insurance is paid by the person insured,  
21 he or she may, upon request, obtain from the insurer in certificate  
22 form a copy of the policy.

23 (i) An entertainment production company, who shall be deemed  
24 the policyholder, providing accident benefits to any group of  
25 participants, volunteers, audience members, contestants, employees,  
26 or independent contractors while engaged in any activity or  
27 operation of the policyholder. When the premium for the insurance  
28 is paid by the person insured, he or she may, upon request, obtain  
29 from the insurer in certificate form a copy of the policy.

30 ~~(j) A bank or other financial institution, a parent holding~~  
31 ~~company of a bank or other financial institution, or to the trustee,~~  
32 ~~trustees, or agent designated by one or more banks, financial~~  
33 ~~institutions, or parent holding company of a bank or other financial~~  
34 ~~institution providing accident benefits to debtors, guarantors,~~  
35 ~~purchasers, credit card holders, checking account holders,~~  
36 ~~mortgagors, and other customers. When the premium for the~~  
37 ~~insurance is paid by the person insured, he or she may, upon~~  
38 ~~request, obtain from the insurer in certificate form a copy of the~~  
39 ~~policy.~~

1 A “blanket policy” is any disability policy of the nature herein  
2 described sold to any of the entities described in subdivision (a),  
3 (b), (c), (d), (e), (f), (g), (h), *or* (i), ~~or (j)~~, of this section and  
4 providing coverage for any group of persons within permitted  
5 categories defined in the policy. Policies referred to in subdivision  
6 (f) shall comply with the provisions of this section specifically  
7 referring thereto. Policies referred to in subdivision (a), (b), (c),  
8 (d), (e), (g), (h), *or* (i), ~~or (j)~~ may provide that the cost of the  
9 insurance coverage shall be borne by either the policyholder, or  
10 the individuals insured or their parents or guardians, payable  
11 through the policyholder. In the absence of a policy provision  
12 excluding coverage for otherwise covered individuals who have  
13 not individually enrolled with the policyholder and undertaken to  
14 pay all or a specified portion of the premium allocable to such  
15 individual, such policy shall provide the described insurance for  
16 all who fall within the categories of covered individuals defined  
17 in the policy. Such policy may, but is not required to, contain  
18 provisions requiring a minimum number of participating persons  
19 or a minimum percentage of participation before the policy is  
20 effective. In the absence of such a provision, coverage shall not  
21 be denied any individual otherwise eligible on those grounds.

22 No policies described in subdivision (a), (b), (c), (d), (e), (g),  
23 (h), *or* (i), ~~or (j)~~, of this section shall be issued until approved as  
24 to substance and form by the commissioner. The commissioner  
25 ~~may may~~, after notice and ~~hearing~~ *hearing*, promulgate such  
26 reasonable rules and regulations, relating to the substance, form,  
27 and issuance of such policies, as are necessary or desirable to  
28 preserve, insofar as applicable, standards as respects substance,  
29 form, and issuance comparable to the standards in such respects  
30 prescribed by this chapter and applicable to other types of disability  
31 policies, and to further the purpose or purposes for which such  
32 policies are to be issued.

33 No policies described in subdivision (f) shall be issued until  
34 approved as to form by the commissioner. The commissioner ~~may~~  
35 *may*, after notice and ~~hearing~~ *hearing*, promulgate such reasonable  
36 rules and regulations, relating to the form and issuance of such  
37 policies, as do not affect the substance of the coverage, and as are  
38 necessary or desirable to preserve, insofar as applicable, standards  
39 as respects form and issuance comparable to the standards in such  
40 respects prescribed by this chapter and applicable to other types

1 of disability policies, and to further the purpose or purposes for  
2 which such policies are to be issued. Notwithstanding the  
3 provisions of Section 10113, such policies may incorporate by  
4 reference any of the appropriate provisions of Part 2 (commencing  
5 with Section 2601) of Division 1 of the Unemployment Insurance  
6 Code and the authorized regulations of the Director of Employment  
7 Development.

8 SEC. 2. Section 10270.2.5 is added to the Insurance Code, to  
9 read:

10 10270.2.5. (a) In addition to the permitted types of blanket  
11 insurance issued to entities described in Section 10270.2, the  
12 commissioner may, in his or her discretion, add other entities that  
13 may be eligible to purchase blanket insurance for any class of risks  
14 relating to accident benefits which may be properly eligible for  
15 blanket insurance.

16 (b) For purposes of this section and Section 10270.2, the term  
17 “accident benefits” means those benefits that are payable as a result  
18 of an unintended and unexpected occurrence that produces loss,  
19 damage, or injury.